DRN-5283893

The complaint

Mr D is unhappy that Interactive Investor Services Limited trading as Interactive Investor (ii) did not provide him with sufficient notice that one of his investments was to be liquidated to allow him to sell his investment before the liquidation.

He believes that the lack of notice has caused him a financial loss for which he would like to be compensated.

What happened

I have reviewed all the evidence provided by both parties. I have not reproduced all of this in this decision but concentrated on what I believe to be the most relevant parts.

Mr D held an investment in a Guernsey based limited company (Company A) within his ii self-invested personal pension scheme (SIPP). On 7 June 2024, Company A contacted its shareholders to inform them that an Extraordinary General Meeting (EGM) was due to take place on 1 July 2024.

Company A's registrars subsequently issued a Corporate Actions Event (CAE) which informed of the intention to wind down and redeem the value of Company A on 4.58pm on 20 June 2024, followed by a revised CAE which was published at 11.44am on 21 June 2024 to include the cancellation of listing.

There was also a proposal at the EGM to place Company A into liquidation.

ii wrote to Mr D on 26 June 2024 giving details of the CAE and informing Mr D that it would not support trading in Company A's shares beyond 28 June 2024.

On 30 June 2024 Mr D attempted to place an order to sell his holdings in Company A, but ii wrote to inform him that it was no longer accepting orders in relation to Company A and that the shares would remain in his SIPP.

Company A's liquidators subsequently advised all known shareholders on 1 July 2024 that the EGM had taken place and that Company A was to be voluntarily wound up.

Mr D explained to ii that he had not seen the message about the delisting on 26 June 2024 as he had been away on holiday. He stated that he believed that the last day of trading in the shares was to be 1 July 2024.

When ii informed him that it was unable to take any further action in relation to Mr D's holding in Company A he raised a complaint on 6 July 2024.

Ii responded to Mr D's complaint on 11 July 2024, not upholding it. Ii said:

Please be advised that as a self-managed platform, we are not required under our terms of service to advise of company delistings, therefore, I am unable to uphold your complaint. I

have provided a section from our terms of service below that relates to providing information for your reference:

7. Provision of Information

7.2 Neither we nor any of our affiliates, agents or licensors make any representation as to the completeness, accuracy or timeliness of such Information nor do we or they accept any liability for any losses, costs, liabilities or expenses that may arise directly or indirectly from your use of, or reliance on, the Information (except where we have acted negligently, fraudulently or in wilful default in relation to the production or distribution of the Information). Such Information is not an offer or solicitation by us or any of our affiliates to buy, sell or otherwise deal in any particular investment.

Ii went on to say:

As a self-managed platform, there is an onus for the customer to conduct their own research about their investments. I appreciate that the timing of this event has not been ideal for you, however, we were notified of the delisting by the company and subsequently posted the delisting event as a supplementary service as we are not bound by this within our terms of service.

In recognition of the inconvenience Mr D had been caused, ii made a goodwill gesture for credited his trading account with £50.

Mr D was unhappy with this response and asked ii to provide a timeline of the information it had received and sent relating to the liquidation of Company A.

ii responded on 22 August 2024 to clarify that it had been informed of the potential for a cancellation of the listing on 21 June 2024 at 11.41am. It went on to say.

although this would not be picked up the same day as our processes for identifying new events are completed at the start of the following business day.

This event was identified and prioritised on the 24th June (Monday) and we communicated on the 26th June (Wednesday). Whilst we would like to be quicker in our communication for all events, we are required to prioritise events for creation which is done primarily on the effective/ex-entitlement and as we had other events with shorter dates this has unfortunately led to this event having a lower priority.

Mr D subsequently contacted the liquidators of Company A who said:

The Joint Liquidators have investigated this matter with the Company's Registrar (CR) who issued the correspondence notifying investors of the proposal to place the Company into liquidation. [CR] have advised that the correspondence was sent on 7th June 2024 and as such they would have expected it to be received by investors shortly thereafter. I would suggest therefore that the delay in this information being made available to you on the 26th could be related to the Interactive Investor platform. From our discussions with the Board I know they had every intention of advising investors of their proposals with enough time, from the 7th June to the 28th, for investors to take any action they felt was necessary - it is unfortunate that the message appears to have been delayed in reaching you.

ii said it had no record of receiving the information sent on 7 June 2024 – which had been sent in hard copy through the postal service. Ii said.

It would seem there were communication issues outside of the influence of Interactive Investor but we would not be able to confirm or indicate who may be responsible for this.

ii reiterated that it did not uphold Mr D's complaint.

Unhappy with this response, Mr D brought his complaint to this service. Our investigator reviewed all the evidence and formed the view that ii had not treated Mr D unfairly.

Mr D remained unhappy and so the complaint has been sent to me to make a final decision.

Before I made my decision, I contacted ii to ask about the process that it undertakes when it receives physical notifications through the post and whether the notice sent by the CR had been discovered at any point. ii replied to provide this information and to confirm that the document had not been discovered at any time prior to my decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have reached the same conclusion as our Investigator and do not uphold Mr D's complaint.

I can appreciate that Mr D will be disappointed with this, so I will explain now how I have reached my conclusions.
Firstly, I think it's important to reflect upon the role of this Service. Our role is to impartially review the circumstances of a complaint and make a decision on whether a business has made errors or treated a customer unfairly. Where it has, we expect a business to fairly compensate a customer for any financial loss and distress and inconvenience they have suffered a result.

I've reviewed ii's terms and conditions of service and can see that it offers its customers an execution only service and does not provide any form of financial advice. As a result, I find that it is correct when it says that it is the responsibility of its customers to monitor the suitability of the investments they hold.

I can also see that the terms and conditions make it clear that it is not responsible for the provision of information to its customers or any liability for providing late or incomplete information – unless it is negligent. So, to be able to uphold Mr D's complaint, I would need to be satisfied that the reason Mr D was unable to act upon the corporate action notice in time was negligence on the part of ii. To do this, I'll consider the timeline of events.

The first notification issued by the CR was made by post on 7 June. This took the form of a 'notice of availability,' giving the date and location of the Extraordinary General Meeting but did not provide information relating to the reason that the meeting was being held. It did, instead, provide links to where that information could be found. ii has stated that it has no record of receiving this letter, although ii has confirmed that the address on the letter was correct. I have no doubt that this letter was produced and despatched, as the CR has indicated. Consequently, I need to decide whether I believe this letter went astray within ii's internal postal system or went astray before arriving at ii. On the one hand, letter sent through the postal service are most likely to be delivered correctly, although the system is not completely dependable. ii responded to my query by outlining the process that it undertakes when physical post is received at its office. This process appears robust and is along the lines of what I would expect it to operate. Consequently, I think if the letter was correctly delivered to ii, I think it is most likely that it would have been correctly processed or

subsequently been discovered at some point. Consequently, on the balance of probabilities, I find that ii did not receive this notification through the post.

The next communication took the form of a corporate action notice, sent at 16:58 on 20 June 2024. As this arrived so late in the working day, I consider it's reasonable to consider that it effectively arrived on 21 June 2024, which was a Friday. ii did not review this information until the following working day, 24 June 2024. I've considered that ii took one working day to review the information, which I don't think is unreasonable.

It then took ii a further two working days to produce its communication and send it to shareholders – including Mr D – on 26 June 2024. I again consider that this is a reasonable timescale for a business to complete this activity.

Consequently, the first time that Mr D could have become aware of the need to take action would have been on 26 June 2024. In the circumstances, however, Mr D did not review the notification until 29 June 2024, placing a sale order on 30 June 2024.

I consider that if Mr D had acted immediately to review the notification from ii on 26 June 2024, he could have placed the sale order on 27 June 2024 and the sale completed by 28 June 2024, the last day that ii had stated that it would trade in the investment.

Mr D stated that he did not review the notice as he was on holiday, but I can't hold ii responsible for the unfortunate timing of Mr D's holiday. In its response to his complaint, ii explained that Mr D could have accessed his ii trading account and placed the sale order either online or through its mobile phone app while he was away. I can see how this would not have been ideal for Mr D, but on balance, I think it's reasonable to consider that Mr D's holiday should not have meant that he could not place the necessary order.

In conclusion, while I can appreciate that the shareholders, including Mr D, would have liked to have more notice of the need to take action, I can't see that ii has acted negligently or delayed the provision of the information unduly.

My final decision

For the reasons given above, I do not uphold Mr D's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 September 2025.

Bill Catchpole
Ombudsman